

EXHIBIT 1



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MEMORANDUM

TO Andrew Cascini & Christopher LeVasseur
FROM Jeffrey G. Muth
DATE January 24, 2025
SUBJECT Summary of customer and product overlap

I. Issue:

Whether Allied and Stone's customer bases overlapped, and whether Allied and Stone sold the same products.

II. Final Finding:

Out of 82,180 Allied customers and 7,190 Stone customers, there appears to be up to 311 customers that were serviced by US Tool and XP between 2014-2024, that were either customers of Lehigh Valley prior to October of 2014 or Allied from 2014 -2024. Of those 311 customers, there are 96 customers that share the same name but have different shipping addresses. In some instances, the shipping addresses are similar, while in others the shipping addresses are in completely different States. The customer names at issue are individuals, e.g., John Anderson, and are not connected to a company or corporate customer, so it is impossible to discern if these individuals are the same customers. As such, the customer overlap figure above, may be reduced by up to 96 customers.

Similarly, US Tool sold to 13 customers identified on Allied's February 2015 customer list, while XP sold to 6 customers on the same customer list. However, Allied's February 2015 customer list does not provide any purchase data, leaving us unable to determine if those 19 customers actually purchased product from Allied.

We are unable to opine on the extent of the product overlap, due to differing data presentation between the two parties. While we may have been able discern the extent of the product overlap, it would have been extremely time consuming and difficult to assess. However, we have identified the products sold within the attached spreadsheets. As such, it should be relatively easy for your respective clients to determine if there is any product overlap during the non-competition period.

III. Summary of Review Process:

Christopher Stone ("Stone") provided for review two spreadsheets. The first was the "US Tools" spreadsheet detailing customer and product information for US Tools Depot. This spreadsheet had 5,267 rows and contained the first and last names of the customers they sold to from 2018 to 2021, customer addresses, the date they sold products to those customers, and the names of the products they sold to them. The second was the "XP Spreadsheet" detailing customer and product information for Extreme Performance Abrasives. This spreadsheet had 1,923 rows and contained the first and last names of the customers they sold to from 2021 to 2024, customer addresses, the date they sold products to those customers, and the names of the products they sold to them.

Allied Industrial Supply, LLC (“Allied”) provided for review five spreadsheets¹: “10-2014 to 10-2021 Transaction Record (Platform 1),” which had 8,975 rows; “06-2009 to 10-2024 Transaction Record Platform 1,” which had 2,807 rows; “10-2014 to 10-2021 Transaction Record Platform 2,” which had 68,875 rows; “February 2015 – Partial Contact List,” which had 1,523 rows; and “Magneto Product List (112524).” Each spreadsheet except for “Magneto Product List” contained the first and last name of customers, customer addresses, the date they sold to those customers, and the names of the products they sold to them. “Magneto Product List” only contained the names of the products they sold. To answer the question of whether there was customer overlap, each Allied spreadsheet (except for “Magneto Product List”) was compared to each Stone spreadsheet.

Importantly, the data from the two parties had differences in presentation that limited our ability to fully compare them. First, Allied provided the email addresses and phone numbers of their customers while Stone did not. Therefore, we could not compare customer contact information. Second, both parties have different internal naming systems for their products. Therefore, we could not assess whether there was any product overlap between the parties. Product overlap can only be assessed if both parties provide

¹ Allied also provided 5 folders titled “Customer Marketing List” containing several spreadsheets. While we discussed these spreadsheets with attorney Cascini it was unclear as to what the data within those spreadsheets conveyed or what the designations of “cleaned”, “nonsubscribed”, “subscribed”, and “unsubscribed” customers meant. Accordingly, we were unable to provide any meaningful analysis of the information contained in these spreadsheets.

us with standardized product names. For this reason, we also could not analyze the Magneto Product List spreadsheet provided by Allied that only listed product names.

IV. Summary of Findings:

In total, we reviewed 82,149 rows of customer names and order dates from Allied, and we reviewed 7,190 rows of customer names and order dates from Stone. Out of the 89,339 rows reviewed, we found 399 customer names that potentially overlapped between Allied and US Tool and 576 customer names that potentially overlapped between Allied and XP Abrasives.

Of the 399 potential customer overlap between Allied and US Tool, we found 150 customer names that do overlap. The detailed summary of the 150² customer names that do overlap is attached as **Exhibit 1**.

Of the 576 potential customer overlap between Allied and XP Abrasives, we found 161³ customer names that do overlap. The detailed summary of the 161 customer names that do overlap is attached as **Exhibit 2**. Combined, we identified 311 customers of XP and US Tool that potentially overlap with customers of Lehigh Valley or Allied. Again this total may be reduced by up to 96 customers based on identified customer address inconsistencies.

² We arrived at this number after deduping customer names and ruling out customer names that were false hits (e.g. customer Robert Williams; Allied's customer named Robert Williams was located in a different state and had a different company name than US Tool's customer named Robert Williams)

³ We arrived at this number after combining duplicate customer names into one row and ruling out customer names that were false hits (e.g. customer Travis Martin, Allied's customer named Travis Martin was located in a different state and had a different company name than XP's customer)

V. Conclusion:

As set forth above, we were able to determine that there may be up to 311 customers that that were serviced by US Tool and XP between 2014-2024, that were either customers of Lehigh Valley prior to October of 2014 or Allied from 2014 -2024. That number may be reduced by up to 96 customers, based on the inconsistent shipping address information discussed above.